



**OFFICE OF THE ATTORNEY GENERAL OF TEXAS
AUSTIN**

**GERALD C. MANN
ATTORNEY GENERAL**

Honorable Charley Lockhart
State Treasurer
Austin, Texas

Dear Sir:

Opinion No. 0-3635
Re: Eligibility of National
Defense Bonds for investment
of Permanent Eleemosynary
Funds.

We are in receipt of your letter requesting our
opinion upon the following question:

"Is it permissible for the cash balances
in the Permanent Eleemosynary Funds to be in-
vested in National Defense Bonds now being
sold by the United States Government?"

Article 2543a of Vernon's Annotated Civil Statutes
imposes upon the State Depository Board the duty of investing
such fund. This Article reads as follows:

"The State Depository Board is hereby au-
thorized and empowered to invest the permanent
funds of the Texas School for the Blind, Texas
School for the Deaf, Austin State Hospital,
State Orphans' Home and any other permanent
funds the investment of which is not otherwise
provided for, whenever such permanent funds
shall have as much as One Thousand Dollars
(\$1,000) of funds on deposit with the State
Treasurer which are not invested, and it is
hereby made the duty of the State Depository
Board to invest such funds in the same class of
bonds as are authorized for investment of the
Permanent School Fund."

The class of securities authorized for investment of
permanent public free school funds is found in Article 2669 of
Vernon's Annotated Civil Statutes which reads as follows:

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"The State Board of Education is authorized and empowered to invest the permanent public free school funds of the State in bonds of the United States, the State of Texas, or any county thereof, and the independent or common school districts, road precincts, drainage, irrigation, navigation and levee districts in this State, and the bonds of incorporated cities and towns, and obligations and pledges of the University of Texas." (Underscoring ours)

The National Defense Bonds as to which you inquire are a direct obligation of the United States Government, and, therefore, in our opinion such bonds under the authority of Article 2569 may legally be purchased as an investment for the Permanent Eleemosynary Funds.

Trusting that the foregoing satisfactorily answers your inquiry, we are

Yours very truly

APPROVED JULY 18, 1941

ATTORNEY GENERAL OF TEXAS

/s/ Grover Sellers

FIRST ASSISTANT
ATTORNEY GENERAL

By

/s/ Clarence E. Crowe
Assistant

CEG:ej

APPROVED OPINION COMMITTEE BY B.W.B. CHAIRMAN